Approver: LJE

Request:

1. Request to approve a worst case 65% discount on 10,000 HR users & programs as specified in Deal Summary , a worst case 70% discount on 15,000 HR users, a worst case 75% discount on 20,000 HR

This was approved in Q4. It was also approved to extend the approval term to the end of Q1 2003 since the formal RFP will continue into 03. The client was to select a partner in the June/July time frame and intended to sign a contract in August. Crane Co. project time line has slipped to the end of August 2002 for final selection. Oracle, SAP & Peoplesoft are in the final evaluation stage and the client will make a final selection by the end of August 2002. The intended execution date of a contract in the October/November timeframe.

2) Therefore account team is requesting that the discounts approval term above, if approved, be extended through the end of Q2 FY03 due to the delay in the project evaulation & completion.

Please note that the above discounts in # 1 are worst case only. Account team intends to quote the following discounts in the initial RFP response: 50% discount @ 10,000 users,55% discount @ 15,000 users, 60% discount @ 20,000 users. Account team is requesting the additional points for negotiations since they believe that Peoplesoft & SAP will be discounting their HR heavily to win the business..
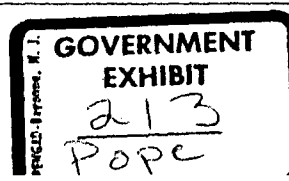
Deal Summary: @65%

Deal Summary	
Product Mix: 10,000 HR users	HR, OAB, OTA, SSHR, HRBIS, iLearning, iRecruitment, Tutor
License Discount	65% worst-case
Support Discount	22% net License Fee
Support Options/Holds	2 Years
Price Holds	2 Years
List License	$ 2,739,500.00
List Support	
Net License	$ 958,825.00
Net Support	$ 210,942.00
Net Price	$ 1,169,767.00
Price List Used	Current

@ 70%

Deal Summary	
Product Mix: 15,000 HR users	HR, OAB, OTA, SSHR, HRBIS, iLearning, iRecruitment, Tutor
License Discount	70% worst-case
Support Discount	22% net License Fee
Support Options/Holds	2 Years
Price Holds	2 Years
List License	$ 4,079,500.00

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List Support	
Net License	$ 1,223,850.00
Net Support	$ 269,247.00
Net Price	$ 1,493,097.00
Price List Used	Current

@ 75%

Deal Summary	
Product Mix: 20,000 HR users	HR, OAB, OTA, SSHR, HRBIS, iLearning, iRecruitment, Tutor
License Discount	75% worst-case
Support Discount	22% net License Fee
Support Options/Holds	2 Years
Price Holds	2 Years
List License	$ 5,419,500.00
List Support	
Net License	$ 1,354,875.00
Net Support	$ 298,073.00
Net Price	$ 1,652,948.00
Price List Used	April 16, 2002

Justification: (Include customer's past spend and discount history if applicable.)
Oracle is in a very competitive competition with People Soft (& SAP) for the Crane Global HR
Project. Past history competing with SAP & People Soft indicates the need to discount at the
Levels above to win the business.

For example SAP list pricing is as follows:

Personnel Development	$60,000.00/ 1,000 ee's
Personnel Adminsitration	$75,000.00/ 1,000 ee's
Self Service	$25,000.00/ 1,000 ee's

SAP licenses per 1,000 employees up to 5,000 employees. After that they license in blocks of 5,000 at the 1,000 price level, which allows there pricing to scale at large employee counts. Taking that into consideration the list pricing for SAP at the 10,000 , 15,000 & 20,000 employee levels would be $960,000.00, $1,120,000.00 & $1,280.000. SAP's list price is less than our discounted pricing, but account team will justify the difference with competitive product differentiators during the sales cycle.

Peoplesoft does not have a published pricing matrix, but team has been seeing very aggressive pricing
in recent Peoplesoft . Per other customers Peoplesoft pricing comes in at somewhere between $50
and $75 per employee, in the larger deals.

Recommendation: (leave blank)

Submitted By: Lisa Pope 714-444-8474 George Roberts 312-364-5780

(leave blank)

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C: (leave blank)
L: (leave blank)
A: (leave blank)
BP: (leave blank)

(Delete the section below if not applicable)

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